

The Madrid System for the international registration of marks offers brand owners the opportunity to apply and maintain protection for trademarks in 105 countries via one single procedure, in one language and one set of fees. However, levels of protection can vary and the process is not without its shortfalls.

For brand owners looking to register their valuable trademark rights in multiple international jurisdictions, the Madrid System for the international registration of marks provides a simple and cost-effective route to protection. Centrally administered by the World Intellectual Property Organisation (WIPO) in Geneva, the system enables brand owners to designate 105 countries (including Brazil as of 2 October 2019) in one single procedure, using one language and paying only one set of fees.

In our experience, some clients can obtain cost savings of more than 40% when compared to national filings.

How does the application process work?

An application for an International Right (IR) must be based on an initial national application in one of the member countries (e.g. an

EU trademark application or registration). Applicants can opt to file their IR application at the same time as they make their national application or any time after (but within six months if they are to claim priority).

As with national applications, brand owners need to indicate the class of goods and services to be covered by the trademark, but they must also designate the territories of interest. All administration and maintenance is dealt with centrally by WIPO, but each country designated results in a trademark that exists in its own right, in the same way as a national trademark application would.

Benefits of using the Madrid System

For companies that have an international presence, the Madrid System offers a number of important advantages; in particular:

- A simplified filing process which also leads to cost savings;
- All administration is streamlined and centrally filed, registered, renewed and maintained;
- All applications and communications take place in the applicant's chosen language (English, French or Spanish);

- No need to appoint local representatives in each designated country;
- No document formalities, for example, powers of attorney (although statements of use are still required for some jurisdictions);
- The geographical protection of an international mark can be extended at any time, so new designations can be added as they become of commercial interest;
- There is a finite, fixed examination period: either 12 months or 18 months. If no objection is raised by the trademark office, the application will gain automatic protection;
- If no objections are raised by the national trademark office or oppositions filed by third parties, there is no need to appoint a local representative in that country.
- A designation of the European Union to an IR can be the ideal way of protecting a mark in the EU, particularly if an objection is anticipated from only part of the EU. The IR system allows the EU designation to be converted to national designations in the countries not affected by the objection and is often seen as a less cumbersome mechanism than conversion of a directly filed European Trade Mark application into national applications.

Disadvantages of the IR system

However, the Madrid System is not without its complications and vulnerabilities, both in terms of the process and the protection afforded by the resultant rights. In particular:

- The IR application must be based on a 'home' filing. For clients in the European Union, this can be either a national or EUTM application or registration at present. Importantly, the international application is reliant on that home filing for a period of five years from the IR registration date. Accordingly, if the home filing is abandoned or cancelled during this dependency period, the international registration will also be automatically cancelled. This is known as a 'central attack'. It is possible to 'transform' the designations of a centrally-attacked IR registration back to national applications; however, this will eliminate all the cost savings made by using the system.
- As the WIPO system does not circumvent local trademark laws, objections can be raised by third parties on a country-by-country basis. This means that even if a mark has been accepted in the home jurisdiction, it doesn't always follow

that it will be accepted in each country designated in the IR application.

- Deadlines for responding to office actions can be very short and it can be a challenge to appoint agents and file a timely response. China, for example, often has a deadline of less than two weeks.
- The time taken to process applications can also vary wildly. In some jurisdictions, registration takes around one-two years and is often quicker than a national application. However, for designations such as the US and EU, the timescale is greatly increased.
- There are some jurisdictions not covered by the System. A list of the member countries of both the Agreement and Protocol can be found on WIPO's website.
- In some countries, notably on the African continent, national laws have not been updated to recognise the international registration system which can lead to enforcement issues.

Is the Madrid System right for you?

Any company that operates globally will likely have an eye on key overseas territories, such as China, India, Japan and the US. The IR system can play a key role in this respect, as it enables companies to cost-effectively register trademark rights in the countries that have signed up to the Madrid Protocol. However, if they are to ensure that they are obtaining the protection that they need in the designated countries, brand owners are advised to consider the following before beginning the application process:

- **How many countries will be designated?** As many or as few as you wish. Depending on the countries required, it may be cheaper or easier to file national applications, especially if a company is interested only in one or two designations. In addition, for some designations, the Protocol's requirements will actually be stricter than those of the national requirements.
- **Will the trademark be used in the same way in each country?** An IR cannot be changed to reflect differences in use/presentation in each designation, but to a certain extent it is possible to limit the goods/services by individual country. For example, to avoid a known objection.
- **Which countries will be designated?** Unfortunately, in certain jurisdictions (most notably India), an IR-acquired right is

more vulnerable than a right acquired through a national registration. For this reason, it is best not to adopt a one-size-fits-all strategy for registration; instead, companies need to weigh up the cost and efficiency benefits of the Madrid System with the need to acquire broad protection in critical markets.

- **What about Brexit?** Please note that post-Brexit, the UK will no longer be covered when designating the EU in an IR application .

In addition to the above, a number of anomalies exist in certain key territories; most importantly:

US

- In addition to the WIPO trademark renewal date, the US also has a 6th year Statement of Use deadline and a 10th year Renewal and Use deadline. These are not always made clear when the registration comes through, so it's important to work with an IP attorney who can remind you of such key deadlines.
- International applications are not eligible to be registered on the Supplemental Register.

- The classes applied for through the Madrid System cannot be amended, even if the correct class is already included in the application.

China

- China's Trademark Office divides each designated class into an unusual system of subclasses. A trademark in a given subclass will cover all items in that subclass, but is not effective on items in other subclasses, even if they fall within the same class under the IR application (which uses the Nice Classification system).
- 'Retail services' in Class 35 are not allowed.
- Although the designation will be afforded protection once the examination process has been completed, applicants will not receive a registration certificate. This can cause issues if brand owners need to litigate in China as they will need to apply for a Supplemental Certificate, a process that incurs additional fees and can take up to six months to obtain.

Japan/ Cuba

- Designation fees applied in two parts, with the second part becoming payable once the application is found acceptable for protection. Failure to pay the second party fee within the set period will result in the designation being cancelled.

Singapore

- Each class within the Madrid application will be allocated a separate local number.

India/ Philippines

- Can only be added to an existing IR if the IR was filed after the countries acceded to the IR (Madrid) system.

Making the most of the System

Despite these challenges and inconsistencies in registration, the IR process is an important, effective and highly regarded system for obtaining trademark rights in multiple international jurisdictions. As part of a robust trademark registration strategy, it enables brand owners to obtain protection in certain territories cost-effectively,

even though they may also need to shore up protection in certain challenging jurisdictions with national registrations.

To find out whether the Madrid System is right for you, please speak to your Novagraaf consultant or contact us below.